



Board Agenda Item 14

DATE: October 18, 2016

TO: Board of Supervisors

SUBMITTED BY: Vicki Crow, C.P.A., Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Temporary Loan or Transfer of Funds for Fiscal Year 2016-17 Dry Period Financing

RECOMMENDED ACTION(S):

Adopt resolution authorizing the County Auditor-Controller/Treasurer-Tax Collector to loan or transfer funds from available funds in the County's custody to other County Funds and to General Funds of various school and special districts for dry period financing during Fiscal Year 2016-17.

Your Board may authorize the Auditor-Controller/Treasurer-Tax Collector to provide temporary loans or transfers from available funds in the custody of the County to other County funds and to the general funds of school and special districts as those districts request to meet obligations incurred between July 1, 2016, and April 15, 2017, for not more than 85% of the anticipated revenues to those funds for the current fiscal year. Such temporary loans and transfers are to be repaid to the County with interest by June 30 of each fiscal year.

ALTERNATIVE ACTION(S):

No viable options to provide dry period financing are available. If the resolution is not adopted, no loans or transfers will be made between County funds or to various school districts and special districts for dry period financing during FY 2016-17.

FISCAL IMPACT:

There is no fiscal impact to the County of Fresno. As provided by law, the Auditor-Controller/Treasurer-Tax Collector will require that the loans or transfers to County funds, school districts, and special districts be repaid with interest and deposited back into the County Treasury. Interest is accrued on the outstanding balance of the loan or transfer at a rate equal to the Treasury Investment Pool rate.

DISCUSSION:

Each year after July 1, certain funds experience a cash-flow problem pending the receipt of real property taxes in December and April of each fiscal year. Section 6 of Article 16 of the California Constitution, Government Code sections 25252 and 23010, and Education Code section 42620 authorize temporary loans or transfers of County funds. Section 6, Article 16, of the Constitution further provides that your Board may adopt a resolution to authorize the Auditor-Controller/Treasurer-Tax Collector to administer those temporary loans and transfers. The approval of this item thus gives the Auditor-Controller/Treasurer-Tax Collector the authority to make temporary loans or transfers to County funds and general funds of various school and special districts in the County to allow those entities to meet their cash flow needs throughout the fiscal year. Temporary loans or transfers made during the fiscal year are repaid to the County by June 30 of each fiscal year and before any other obligations of the entity are paid from revenues accruing to the entity.

Adoption of the attached resolution by the Board of Supervisors is necessary to authorize the

Auditor-Controller/Treasurer-Tax Collector to issue temporary loans or transfers to the various agencies between July 1, 2016 and April 15, 2017, with the first loans or transfers to be processed upon approval of this agenda item on October 18, 2016. To date, no temporary loans or transfers under this program have been made to County funds or school and special district general funds.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On File with Clerk - Temporary Transfer/Loan of Funds

CAO ANALYST:

Deborah Paolinelli